

BEFORE THE IOWA INSURANCE DIVISION

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 IN RE: :
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 GOLDEN RULE PROPOSED 2013 : Public Hearing
 RATE INCREASE, :
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Mercy College of Health Sciences
 Sullivan Center, Room 210
 928 Sixth Avenue
 Des Moines, Iowa
 Saturday, January 12, 2013

The above-entitled matter came on for hearing,
pursuant to notice, at 11:00 a.m.

BEFORE: SUSAN E. VOSS, Insurance Commissioner

Also Present: ANGEL ROBINSON, ESQ., ESQ.
 Consumer Advocate
 Iowa Insurance Division
 330 Maple Street
 Des Moines, IA 50319

EILEEN HICKS - CERTIFIED SHORTHAND REPORTER

PETERSEN COURT REPORTERS, INC.
 500 SW 7th Street, Suite 305
 Des Moines, IA 50309-4506
 (515) 243-6596

P R O C E E D I N G S

COMMISSIONER VOSS: Okay. Good morning, everybody. It's 11 o'clock, and we are here at the Mercy College of Health Sciences in Des Moines, Iowa for the public hearing on the Golden Rule proposed 2013 rate increase.

I hope those of you who are in the room, either here or at the other sites--at Council Bluffs or Cedar Rapids or Spencer--have signed in. We want to thank you all for participating.

We don't have the doors locked. That's for safety reasons. I don't think we're going to have to worry about too many people standing in the aisles here.

We just want to make sure that if you do want to speak at the hearing today, that you clearly state your name. We're having this transcribed, and it will all be on our Web site for people to review, and we want to make sure that we get names appropriately designated.

The attendees at the Des Moines site will need to speak at the designated speaker's microphone in the front of the room, which is on the front table here.

And just for all interested parties, this is for individual health insurance policies from Golden

1 Rule, so if you don't have one of those policies,
2 this doesn't affect you.

3 The way the agenda is going to work today is
4 we're going to have some remarks from the Assurant--not
5 Assurant--Golden Rule folks, and then we will take--
6 Angel Robinson, our Consumer Advocate, is going to
7 provide a presentation of the public comments, and
8 then we'll have an opportunity for additional public
9 comments by interested parties.

10 We'll start with the Des Moines site, and
11 then we'll go to the outlying cities of Council
12 Bluffs, Cedar Rapids and Spencer. So with that in
13 mind, I'm going to call on Scott Williams.

14 Scott, are you going to give the comments?
15 And if you could come to the front. You're going to
16 have to hold down on the brown speaker.

17 MR. WILLIAMS: Okay. Good morning. I'm
18 Scott Williams, vice-president of sales and account
19 management for UnitedHealthcare in Iowa and Central
20 Illinois. Thank you for the opportunity to be here
21 today and to listen to comments and represent
22 UnitedHealthcare and Golden Rule as a carrier.

23 As you're aware, UnitedHealthcare's Golden
24 Rule Insurance Company filed a request for a rate
25 adjustment on November 28, and that rate adjustment

1 would affect approximately 1500 customers in the
2 State of Iowa.

3 The average rate increase is 15 percent and
4 is necessary based on expected medical costs for that
5 population.

6 As you look at health insurance premiums,
7 they're a direct correlation of underlying costs of
8 provided care, and they're consistently made of up
9 medical costs and administrative costs.

10 The medical costs is a significant--the
11 largest significant piece of your health care premium
12 that has continued to increase year over year. And
13 the reasons for that increase year over year is
14 advancements in medical procedures, development of
15 new pharmaceuticals, new medical devices, as well as
16 an aging population that is increasingly living with
17 chronic conditions, such as diabetes and obesity.

18 At UnitedHealthcare Golden Rule Company we
19 are very proud of our mission to help individuals live
20 healthier lives. We continue to look for ways to
21 restrain health increases and cost increases and be
22 able to provide affordable care in the State of Iowa.

23 We are hopeful that the Department of
24 Insurance will approve our rate increase as they're
25 based on sound actuarial principles and methods and

1 our direct representation of expected medical costs
2 for this block of business and will allow us the
3 ability to provide affordable health care in the
4 State of Iowa.

5 Thank you.

6 COMMISSIONER VOSS: Thank you very much.

7 At this time I'm going to ask our Insurance
8 Consumer Advocate Angel Robinson to present the
9 public comments.

10 MS. ROBINSON: Good morning, Commissioner.
11 Thank you for the opportunity to present the public
12 comments.

13 I would like to review the comments received
14 over the last 45 days as required by Iowa law for the
15 public notification of the rate increase.

16 The rate increase requested by
17 UnitedHealthcare's company Golden Rule was for 15
18 percent. This exceeds the annual average health
19 spending growth rate of 5.8 as published by the
20 centers of Medicare and Medicaid, and therefore we
21 are required to have this hearing today and provide
22 the opportunity for comments.

23 The comments that were prior received are a
24 total of seven on policyholders that were just over
25 2500 affected.

1 I can tell you that the comments were not
2 necessarily numerous enough to be aggregated in large
3 groups; but of the ones received, the comments included
4 concerns by all seven in regards to affordability.

5 The affordability comments were included
6 with concerns about the percentage of a household's
7 income that would be spent, the increased amount that
8 policy has over time, and, of course, the ability to
9 maintain that policy should the rate increase be
10 approved.

11 Other comments that have been received
12 included concerns that the benefits that were being
13 used were not--or, sorry, the benefits that were
14 provided by the policy are not benefits that are
15 currently being used, therefore not necessarily
16 making it clear to policyholders why this rate
17 increase was needed for them, as they were doing
18 their part to try to stay healthy, not accessing
19 health care on a regular basis, or having a high
20 deductible plan.

21 The other area of note would be that a
22 couple of comments referred to the sustained amount
23 of provider reimbursements that they've noted over
24 the years, therefore allowing some of the policyholders
25 that commented to question whether or not the medical

1 costs that are attributed to the rate increase were
2 really sound.

3 In general, I ask you to please review all
4 the comments and to please look at them as a larger
5 sector, as I realize that some consumers who may have
6 comments may not have commented yet or just didn't
7 take the opportunity.

8 Are there any additional questions that you
9 have for me at this time?

10 COMMISSIONER VOSS: Those are all-- All those
11 comments are available on our Web site; is that correct?

12 MS. ROBINSON: They are. And the comment
13 period will remain open until the final decision is
14 made by you as to whether or not to approve this rate
15 increase.

16 COMMISSIONER VOSS: Thank you.

17 MS. ROBINSON: Thank you.

18 COMMISSIONER VOSS: There seems to be a
19 little echo.

20 I'm going to start with comments from the
21 public. We'll start with Des Moines, but I don't see
22 anybody from the public in Des Moines.

23 So we'll go to the outlying sites. Is there
24 anyone in Council Bluffs that would like to comment?

25 (No response.)

1 COMMISSIONER VOSS: Okay. Cedar Rapids?

2 (No response.)

3 COMMISSIONER VOSS: Spencer?

4 (No response.)

5 COMMISSIONER VOSS: No? All right. Well,
6 no comments.

7 Here's what we're going to do going forward.
8 I do not have the independent actuarial reports yet.
9 I do not have a report from our in-house actuary
10 Klete Geren, so until I get those reports, I really
11 can't make any decision.

12 We will have the--keep the comment period
13 open. Obviously the actuary reports will be public
14 once we receive them, and so I need to make this
15 decision by the end of January, so hopefully this
16 next week I will get reports, and I can start working
17 on that decision right away.

18 So I guess in conclusion, thank you very
19 much, Golden Rule folks, for coming today and for
20 those in the Des Moines room. And if we hear of any
21 additional comments, we will post them according to
22 our rules.

23 So with that, I'm going to conclude the
24 hearing. Thank you very much.

25 (Hearing concluded at 11:10 a.m.)

C E R T I F I C A T E

I, the undersigned, a Certified Shorthand Reporter of the State of Iowa, do hereby certify that I acted as the official court reporter at the hearing in the above-entitled matter at the time and place indicated;

That I took in shorthand all of the proceedings had at the said time and place and that said shorthand notes were reduced to typewriting under my direction and supervision, and that the foregoing typewritten pages are a full and complete transcript of the shorthand notes so taken.

Dated at Des Moines, Iowa, this 17th day of January, 2013.

/s/Eileen Hicks
CERTIFIED SHORTHAND REPORTER